

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

ELLIS THOMPSON CORPORATION

)

) File No. 14261-CL-P-134-A-86

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To: Honorable Joseph Chachkin
Administrative Law Judge

JOINT MOTION FOR SUMMARY DECISION

EXHIBITS

VOLUME II

LIST OF EXHIBITS

DEPOSITIONS

<u>Deponent</u>	<u>Date Taken</u>	<u>Tab</u>
Ray E. Dombroski Vice President of Engineering and New Technology for Comcast Cellular Communications, Inc.	04/26/95	1
Anna E. Hillman Sr. Vice President of Finance & Administration for Comcast Cellular Communications, Inc.	04/25/95	2
David A. Lokting Thompson's Attorney and Business Advisor	05/11/95	3
John Moerman General Manager - Wilmington/Atlantic City Comcast Cellular Communications, Inc.	04/26/95	4
Charles R. Moir Vice President of Amcell Operations for Comcast Cellular Communications, Inc.	04/28/95	5
Mark A. Panetta Vice President of Finance for Comcast Metrophone	04/28/95	6
Michael W. Riley Thompson's Expert Witness on Cellular Industry	05/15/95	7
Robert Barry Sauder Controller of Comcast Cellular Communications, Inc.	04/28/95	8

<u>Deponent</u>	<u>Date Taken</u>	<u>Tab</u>
Jeffrey E. Smith Vice President and General Counsel of Comcast Cellular Communications, Inc.	04/25/95	9
Ellis Thompson Applicant/ Owner of Ellis Thompson Corporation	05/12/95	10
Christine Van Horne Assistant Treasurer of Comcast Cellular Communications, Inc.	04/27/95	11
Dominic C. Villecco Vice President of Wireless Engineering for Comcast International Holdings	04/27/95	12
David N. Watson Sr. Vice President of Marketing & Sales for Comcast Cellular Communications, Inc.	04/26/95	13

DOCUMENTS

Cellular Management Services, Inc. Cellular Settlement Agreement	14
Thompson/Amcell Exercise Agreement	15
Thompson/Amcell Indemnity Agreement, as amended	16
Declaration of Ellis Thompson	17

ERRATA SHEET FOR THE TRANSCRIPT OF:

Notice Date: 05/01/95
Case Name: In Re: Ellis Thompson Corporation
Case Number: 14261-CL-P-134-A-86
Dep. Date: 04/28/95
Deponent: Mark Panetta
Place: Washington, D.C.

CORRECTIONS:

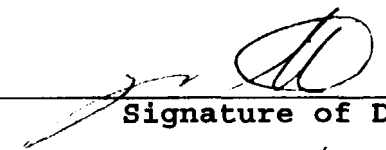
<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
10	22-24	It was more efficient to run all systems, all systems saved money in the consolidation.	It was more efficient to run all systems centrally, all systems saved money in the consolidation.	Clarification
11	17	I wasn't directly in direct discussions with Ellis.	I wasn't directly in- volved in the direct discussions with Ellis.	Clarification
11	20-21	...consolidation was done and I believe the president at the time, Joe Grenuk.	...consolidation was done as did the president at the time, and I believe that was Joe Grenuk.	Clarification

ERRATA SHEET FOR THE TRANSCRIPT OF:

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CORRECTIONS:

<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
18	11	...it's either 1,000 or 5,000 through the six or...	...it's either 1,000 or 5,000. Through the six or...	Clarification



Signature of Deponent6/27/95

Date of Signature

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

CC DOCKET NO. 94-136

- - - - - X

In re Application of :

ELLIS THOMPSON : File No.

CORPORATION : 14261-CL-P-134-A-86

- - - - - X

Washington, D.C.

Friday, April 28, 1995

Deposition of MARK A. PANETTA, a

witness herein, called for examination by counsel
for Federal Communications Commission in the
above-entitled matter, pursuant to agreement, the
witness being duly sworn by JAN A. WILLIAMS, a
Notary Public in and for the District of
Columbia, taken at the offices of Gurman, Kurtis,
Blask & Freedman, Suite 500, 1400 16th Street,
N.W., Washington, D.C., 20036, at 10:55 a.m.,
Friday, April 28, 1995, and the proceedings being
taken down by Stenotype by JAN A. WILLIAMS and
transcribed under her direction.

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1 though, than the division when I worked at it.

2 Q. How is it different?

3 A. It is mainly a sales division. - And the
4 functions that I performed there were
5 consolidated into the Wilmington office.

6 Q. What was your business address when you
7 were controller of the Wilmington division?

8 A. I was never the controller for the
9 Wilmington division.

10 Q. I'm sorry, I mean the Atlantic City
11 division.

12 A. The Bayport One building, I can't
13 remember the actual suite.

14 Q. That's fine. What city is that in?

15 A. That was in West Atlantic City.

16 Q. Is there anything there now currently?

17 A. In the Bayport building?

18 Q. Yes.

19 A. I don't believe so.

20 Q. Why were functions consolidated in
21 Wilmington?

22 A. It was more efficient to run all
23 systems, all systems saved money in the
24 consolidation. We were able to reduce the need
25 for a full-time controller and reduce the need

CENTRAL

1 for certain levels of staffing in customer
2 service and in finance. So everybody benefited
3 by reduced overhead.

4 Q. Did other systems consolidate into
5 Wilmington as well?

6 A. There are other systems run and managed
7 by the Wilmington division, but none were
8 consolidated into Wilmington.

9 Q. Was this consolidation anything that
10 would have had to have been run through Ellis
11 Thompson?

12 A. Yes.

13 Q. To your knowledge did he approve of
14 this?

15 A. Yes.

16 Q. Do you know what he said about it?

17 A. I wasn't ~~directly~~ ^{INVOLVED} in direct discussions
18 with Ellis. My indirect supervisor, Anna
19 Hillman, had to receive approval before any
20 consolidation was done ^{AS DID} ~~and I believe the~~
21 president at the time, ^{AND I BELIEVE THAT WAS} ~~Joe Grenuk.~~

22 Q. Have you met Mr. Thompson?

23 A. Yes.

24 Q. How did you meet him?

25 A. I met him frequently when I was working

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1 rents, expenses that were repetitive and critical
2 to the running of the system.

3 Q. And what did your check signing
4 authority grow to entail?

5 A. To the best of my recollection, it went
6 up to \$5,000.

7 Q. What would happen with checks over
8 5,000?

9 A. They would need to be sent to Ellis for
10 his signature. I'd like to make just one point;
11 it's either 1,000 or 5,000, through the six or
12 seven years I've worked at Metrophone and I've
13 had signature level authorities that have changed
14 almost monthly. They continue to change today.

15 Q. While controller in Atlantic City, did
16 you have any work over the bank accounts of Ellis
17 Thompson Corporation?

18 A. What do you mean by work over the bank
19 accounts?

20 Q. Did you do any work which related to
21 those bank accounts?

22 A. I performed the monthly reconciliations
23 of the bank accounts, I produced checks, made
24 deposits into those bank accounts.

25 Q. Did you keep the books?

1 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

2 WASHINGTON, D.C. 20554

3 CC DOCKET NO. 94-136

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5 In re Application of :

6 ELLIS THOMPSON : File No.

7 CORPORATION : 14261-CL-P-134-A-86

8 - - - - - X

9 Washington, D.C.

10 Friday, April 28, 1995

11 Deposition of MARK A. PANETTA, a
12 witness herein, called for examination by counsel
13 for Federal Communications Commission in the
14 above-entitled matter, pursuant to agreement, the
15 witness being duly sworn by JAN A. WILLIAMS, a
16 Notary Public in and for the District of
17 Columbia, taken at the offices of Gurman, Kurtis,
18 Blask & Freedman, Suite 500, 1400 16th Street,
19 N.W., Washington, D.C., 20036, at 10:55 a.m.,
20 Friday, April 28, 1995, and the proceedings being
21 taken down by Stenotype by JAN A. WILLIAMS and
22 transcribed under her direction.

23

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25

1 APPEARANCES:

2

3 On behalf of the Wireless Telecommunications
4 Bureau of the Federal Communications
5 Commission:

6 JOSEPH PAUL WEBER, ESQ.

7 TERRENCE E. REIDELER, ESQ.

8 The Wireless Telecommunications Bureau
9 Federal Communications Commission

10 1919 M Street, N.W., Room 644

11 Washington, D.C. 20554

12 (202) 418-1317

13

14 On behalf of Ellis Thompson Corporation:

15 R. BRUCE BECKNER, ESQ.

16 Fleischman and Walsh

17 1400 16th Street, N.W.

18 Washington, D.C. 20036.

19 (202) 939-7913

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1 APPEARANCES: (Continued)

2

3 On behalf of American Cellular Network
4 Corp.:

5 LOUIS GURMAN, ESQ.

6 Gurman, Kurtis, Blask & Freedman

7 Suite 500

8 1400 16th Street, N.W.

9 Washington, D.C. 20036

10 (202) 328-8200

11

12 On behalf of Telephone & Data Systems, Inc.:

13 HERBERT D. MILLER, JR., ESQ.

14 Koteen & Naftalin

15 1150 Connecticut Avenue

16 Washington, D.C. 20036

17 (202) 467-5700

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1 C O N T E N T S

2 THE WITNESS EXAMINATION BY COUNSEL FOR
3 MARK A. PANETTA FEDERAL COMMUNICATIONS
4 COMMISSION
5 By Mr. Weber 5
6
7

8 E X H I B I T S

9 PANETTA EXHIBIT NO. PAGE NO.
10 1 19
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1 P R O C E E D I N G S

2 Whereupon,

3 MARK A. PANETTA,

4 was called as a witness by counsel for Federal
5 Communications Commission, and having been duly
6 sworn by the Notary Public, was examined and
7 testified as follows:

8 EXAMINATION BY COUNSEL FOR

9 FEDERAL COMMUNICATIONS COMMISSION

10 BY MR. WEBER:

11 Q. Good morning, Mr. Panetta. My name is
12 Joseph Weber and I represent the Wireless
13 Telecommunications Bureau of the Federal
14 Communications Commission.

15 Could you please state your name for
16 the record.

17 A. Mark Panetta.

18 Q. Have you ever had your deposition taken
19 before?

20 A. Yes.

21 Q. So you do understand the process, I'll
22 just state again that I would like you to be sure
23 you answer as fully and as truthfully as
24 possible. If you don't ever understand a
25 question I ask, just let me know, I'll rephrase.

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1 Did you do anything to prepare for
2 today's deposition?

3 A. Yes.

4 Q. What did you do?

5 A. I read some documents that I was either
6 copied on or had prepared myself.

7 Q. What is your educational background?

8 A. I'm a graduate of Mount St. Mary's
9 College and I am a Certified Public Accountant.

10 Q. What is your current occupation?

11 A. I'm a vice-president of finance for
12 Comcast Metrophone.

13 Q. And how long have you been in that
14 position?

15 A. Three years.

16 Q. Were you employed by Comcast prior to
17 being the vice-president of finance?

18 A. Yes.

19 Q. What was your position at that time?

20 A. I had two positions. When I first
21 began at Comcast, I was the controller for the
22 Atlantic City division and that lasted two
23 years.

24 Q. And that began in what year?

25 A. October of 1988. And after that I held

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1 the position of controller for the Central New
2 Jersey division of Comcast Cellular.

3 Q. And how long were you in that position?

4 A. Approximately three years.

5 Q. Let's go through these one by one.

6 When you were controller for the Atlantic City
7 division, what were your duties and
8 responsibilities?

9 A. Maintain the financial records for two
10 subsidiaries -- one subsidiary which was Cellular
11 Phone of New Jersey which was a subsidiary of
12 Comcast Cellular and also I kept the books and
13 records of the Ellis Thompson Corporation which
14 we had a management agreement with. I also
15 handled the collection duties and the inventory.
16 management.

17 Q. When you were controller for Central
18 New Jersey, what were your duties and
19 responsibilities?

20 A. They were identical, it was just for
21 different subsidiaries, different markets than
22 Cellular Phone of New Jersey and the Ellis
23 Thompson Corporation. The markets that we
24 managed in Central New Jersey were the Mercer
25 County MSA and New Brunswick and Long Branch and

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1 Hunterdon County.

2 Q. Was Atlantic City also one of those
3 markets for the Central New Jersey division?

4 A. No.

5 Q. So at that point did you do any work
6 for the Atlantic City system?

7 A. No, with one exception. In the
8 transition from being controller in the Atlantic
9 City division to the Central New Jersey division,
10 I finalized the budget for the following year
11 because I had started it and there was maybe a
12 week's worth of work left in it. Other than that
13 I did nothing for Atlantic City.

14 Q. What are your duties and
15 responsibilities in your current position?

16 A. I manage the financial accounting
17 function, the administrative function, the
18 revenue assurance function, collections,
19 inventory, that's about it.

20 Q. Is any of this work related to the
21 Atlantic City system?

22 A. One area that you can put down there,
23 it's a subset of the financial function, it's
24 called intercarrier services. We handle the
25 roamer accounting and the roamer receivables and

1 payables for all of Comcast, and it's managed
2 centrally out of my department. In that respect
3 we do manage the roamer accounting for all
4 divisions of Comcast Cellular including Atlantic
5 City.

6 Q. And that would be the only Atlantic
7 City related work you do currently, is roamer
8 work?

9 A. Yes.

10 Q. When you were controller for the
11 Atlantic City division, did any employees report
12 directly to you?

13 A. Yes.

14 Q. How many?

15 A. The maximum was seven and I started
16 with two.

17 Q. Who did you report to?

18 A. Dennis Curley, he was the general
19 manager.

20 Q. Was he the general manager of the
21 Atlantic City division?

22 A. Yes.

23 Q. Is there currently an Atlantic City
24 division?

25 A. Yes, there is. It's a bit different,

1 though, than the division when I worked at it.

2 Q. How is it different?

3 A. It is mainly a sales division.. And the
4 functions that I performed there were
5 consolidated into the Wilmington office.

6 Q. What was your business address when you
7 were controller of the Wilmington division?

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19 Hillman, had to receive approval before any
20 consolidation was done and I believe the
21 president at the time, Joe Grenuk.

22 Q. Have you met Mr. Thompson?

23 A. Yes.

24 Q. How did you meet him?

25 A. I met him frequently when I was working

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1 at the -- when I was working for the Atlantic
2 City division and I see him maybe once a year now
3 when he comes into our offices in Wayne,
4 Pennsylvania.

5 Q. How often would you say is frequent?

6 A. Probably every other month to the best
7 of my knowledge.

8 Q. He came to New Jersey about every other
9 month?

10 A. Yes.

11 Q. Would you speak with him each time he
12 was in town?

13 A. Yes.

14 Q. Has Mr. Thompson ever given you
15 instructions?

16 A. Could you elaborate on that, what type
17 of instructions?

18 Q. Did he ever tell you to take any
19 particular action?

20 A. To the best of my recollection, he
21 would. I mean how direct of an action? A lot of
22 the business operations were run through David
23 Lokting. And David met with Ellis. So the
24 day-to-day operations were done through David.
25 When Ellis came to visit, a lot of times it was

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1 just to visit.

2 So, when I saw him there, he was
3 visiting and he would come in and ask how are
4 things going, I would go through some information
5 with him, I would explain to him traffic
6 patterns, financials. One time he was there for
7 the kickoff event and I spent most of the time
8 talking to him but mainly not about business,
9 that was a social function. So, in terms of
10 business operations, a lot of the direction was
11 done through David Lokting or with David
12 Lokting.

13 Q. Who is David Lokting?

14 A. David Lokting is Ellis Thompson's
15 attorney.

16 Q. How do you know this?

17 A. Through working with David and Ellis.

18 Q. Do you recall how you met Mr. Lokting?

19 A. The first time Ellis and David visited
20 the Atlantic City operation when I was employed
21 there.

22 Q. Has Mr. Thompson ever contacted you
23 directly?

24 A. No.

25 Q. Has Mr. Lokting?

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1 A. Yes.

2 Q. And how often would you say that
3 happened?

4 A. During my employment as controller of
5 Atlantic City, to the best of my recollection,
6 once a month.

7 Q. Would you characterize your contacts
8 with Mr. Lokting to be more Mr. Lokting wanting
9 to gather information or Mr. Lokting more giving
10 you instructions?

11 A. Both.

12 Q. What kind of instructions would
13 Mr. Lokting give you?

14 A. Procedural instructions, where to send
15 checks, information that was required to support
16 expenditures that him and Ellis had questions on
17 and needed more information, questions regarding
18 financial statements, if he didn't understand
19 things that were happening in the financials or
20 needed explanations about the analysis that we
21 sent, a lot of those types of inquiries.

22 Q. Did you ever attend the quarterly
23 meetings for the Atlantic City system?

24 A. During my employment, no, I don't
25 believe we had very many. And, if we did, I

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1 wasn't a part of it.

2 Q. Have you had any discussions with Anna
3 Hillman about the Atlantic City system? -

4 A. Currently, during my employment?

5 Q. During your employment.

6 A. Yes, daily.

7 Q. When you started as controller of the
8 Atlantic City system, was the system operational?

9 A. No.

10 Q. Do you know where it was in the process
11 of construction?

12 A. It hadn't even started.

13 Q. Who hired you?

14 A. Two people, Dennis Curley and Anna
15 Hillman.

16 Q. Did either one of them discuss the
17 ownership of the Atlantic City system with you?

18 A. I'm confused. Do you mean the
19 ownership of their subsidiary?

20 Q. Did either one of them describe -- I'll
21 ask it a different way.

22 Did either one of them describe
23 Comcast's role in the Atlantic City system?

24 A. In the Ellis Thompson Corporation,
25 yes. And, in the role of Cellular Phone of New

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